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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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March 03, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AUTHORITY TO ALLOW THE COUNTY OF LOS ANGELES
TO ACT AS THE HOST COUNTY FOR PURPOSES OF PAYING STATE
ADMINISTRATIVE COSTS ASSOCIATED WITH THE LOW INCOME
HEALTH PROGRAM AND DELEGATION OF AUTHORITY TO EXECUTE
AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF HEALTH CARE
SERVICES AND OTHER GOVERNMENTAL ENTITIES IN CONNECTION
WITH THAT ROLE
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request authority for the County of Los Angeles, through its Department of Health Services, to act as the host county for purposes of collecting payments from participating entities and paying the State's administrative expenses associated with the Low Income Health Program, and delegate authority to the Director of Health Services to sign an agreement with the California Department of Health Care Services and separate agreements with each County or other governmental entity that operated a Low Income Health Program to establish and effectuate the County's duties as the host county.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the County of Los Angeles, acting through the Department of Health Services (DHS), to act as the host county/fiscal intermediary effective from approval until all payment obligations are fulfilled, for purposes of collecting and making payments on behalf of all entities which operated Low Income Health Program (LIHP) to the California Department of Health Care

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16

March 3, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

Services (DHCS), in order to reimburse it, as required by law, for the non-federal share of its approved expenses incurred in connection with administering the LIHP, including expenses related to program closeout.

2. Delegate authority to the Director of Health Services (Director), or his designee, to execute an agreement with DHCS, retroactively effective from July 1, 2014 through December 31, 2016 and with an option to extend the agreement on a month to month basis thereafter until all payment obligations are met, and which sets forth both parties' duties and responsibilities in connection with DHS' role as the host county for purposes of paying DHCS for its approved expenses incurred in administering the LIHP, including program closeout, up to December 31, 2015 and for certain County of Los Angeles specific expenses, incurred while the LIHP was still operational.
3. Delegate authority to the Director, or his designee, to execute agreements with each LIHP participating entity, effective for the period July 1, 2014 through December 31, 2016 and with an option to extend the agreements on a month to month basis thereafter until all payment obligations are met, and which sets forth each party's duties in connection with DHS' role as the fiscal intermediary for purposes of paying DHCS, as required by law, for its allowable expenses incurred in connection with administering and closing out the LIHP at the State level through December 31, 2015, including the County's duty to pay its share of actual DHCS' Medicaid administrative costs for the LIHP, not to exceed \$500,000 per each Demonstration Project Year (DPY).
4. Delegate authority to the Director, or his designee, to exercise the month to month extension option in the agreements referenced in Recommendations 2 and 3 beyond the expiration date of December 31, 2016, in the event that there are still outstanding amounts to be collected from participating entities or payments to be made to DHCS.
5. Delegate authority to the Director, or his designee, to amend the agreements with each LIHP participating entity, to reflect changes to the distribution formula or percentages approved by the LIHP Executive Committee, for allocation of DHCS' actual Medicaid administrative costs incurred up to December 31, 2015.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The state statutes which created the LIHP require the counties or other governmental entities that operate LIHPs to pay the non-federal share of DHCS' staffing and other expenses incurred in connection with administering the LIHP at the State level. DHCS, working with the California Association of Public Hospitals (CAPH), determined that the most appropriate way to fulfill that obligation would be to use a single "host county" to act as a fiscal intermediary between the counties and DHCS to collect the necessary amounts from itself and the other entities, and then make a single payment of approved expenses to DHCS. The County of Los Angeles was a logical choice to serve in this capacity, and on July 17, 2012, the Board provided authority for DHS to act in that role through June 30, 2014.

The recommended actions will allow the County of Los Angeles (County), through DHS, again to act as the host county, for purposes of paying DHCS for its continuing efforts to close out the LIHP, and will authorize the Director or his designee to sign two types of agreements in connection with that

role. The first agreement, which will be substantially similar to Exhibit I, is with DHCS and sets forth the mechanisms by which reimbursable DHCS expenses are budgeted, approved, invoiced, paid, and, if necessary, appealed. This agreement also provides for DHS to pay DHCS for services provided specifically to the County while the LIHP was in place, related to the Medi-Cal Eligibility Data System (MEDS). The second set of agreements, which will be similar to Exhibit II, are with individual counties and other governmental entities which operated LIHPs and provides for DHS to collect from each entity its share of DHCS' allowable expenses and to pay over those amounts to DHCS. Both agreements include a commitment by the County to pay its share of the DHCS' expenses, including previously unbilled amounts incurred before July 1, 2014, and all expenses incurred on or after July 1, 2014.

Implementation of Strategic Plan Goals

The recommended action support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

DHS believes that the County will incur few costs associated with performing its fiscal intermediary functions as the host County. It is estimated that the County's share of the State's administrative expenses will be no more than \$500,000 for FY 2014-15 and \$250,000 for FY 2015-16. Funding for DHS' share of DHCS' expense for FY 2014-15 is included in DHS' FY 2014-15 Final Budget. Continual funding in future fiscal years will be requested, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Between July 1, 2011 and December 31, 2013, DHS participated in the LIHP authorized by the section 1115(a) waiver, California Bridge to Reform Medicaid Demonstration (11-W-00193/9). The LIHP operated by DHS was called Healthy Way LA - Matched.

In authorizing the LIHPs, State Legislature wanted to be sure that it would be implemented without cost to the State. Accordingly, Welfare and Institutions Code sections 15911(j) and 14182.3(e) provide that entities with LIHP must reimburse the State for the non-federal share of its staffing and other administrative expenses associated with administering the program. This includes expenses incurred by the State in closing out the program. The State worked with CAPH to determine how that obligation would be fulfilled. The product of those discussions is the host county agreement with DHCS.

Under that agreement, a LIHP Executive Committee, composed of representatives from CAPH, the California State Association of Counties (CSAC), the County Health Executives Association of California (CHEAC), the County Medical Services Program (CMSP), DHS, and two other counties, reviews and approves an annual budget from DHCS which defines the expenses considered to be reimbursable. The LIHP Executive Committee also reviews and approves any requests for subsequent budget adjustments. DHCS will invoice DHS, as the host county, for the non-federal share of its actual costs of administering the LIHP, up to the budgeted amount. DHS will then pay the invoices using funds collected from the other LIHP entities as well as its own share. The invoices under the proposed agreements will include previously unclaimed expenses for earlier years as well as the costs for administrative services provided after the expiration of the former host county

agreements, and prior to execution of this agreement. They will also include a special amount which relates exclusively to DHCS' expenses for MEDS-related services undertaken specifically for the County. Irrespective of the amount invoiced by DHCS, the County is not obligated to pay more than the amount it has collected plus its own share of the cost, and expenses uniquely related to the County. The County will not be responsible for any shortfall if any of the other entities fail to pay their full share.

Under the agreement with DHCS, DHS would also have the right to appeal any inappropriate requests for payment, and may also prosecute appeals on the behalf of the LIHP Executive Committee. The agreement contains mutual indemnification provisions and can be terminated by either party on 30 days advance written notice. Both agreements contain an option to extend on a month to month basis to complete the collection and payment process. The State's agreement is necessary to extend its agreement. Because the State is the other party to the contract, the agreement does not include most of the standard County provisions.

DHS would also enter into agreements with each county or other entity which operated a LIHP. Under those agreements, DHS will invoice each entity for its share of the State's expenses approved by the LIHP Executive Committee, based on a distribution formula set forth in the agreement, and will use the money exclusively to pay DHCS' allowable expenses. DHS would also be responsible for providing to each entity an annual reconciliation of paid amounts to the approved budget. These agreements will obligate other counties or governmental entities to pay the amounts billed within 30 days. This agreement also commits the County to pay its share of DHCS' expenses. For its services as the Host County, DHS will receive \$500 from each other participating entity. The agreement includes mutual indemnification, but makes each party responsible for its own federal claiming. DHS can terminate these agreements on 60 days written notice. The agreement does not include most of the standard County provisions.

The LIHP ended on December 31, 2013 with all eligible members transitioned to Medi-Cal under the Affordable Care Act, effective January 1, 2014. However, additional State efforts were needed to complete the transition and claiming under the LIHP. Accordingly, the previous Host County agreements covered the performance of fiscal intermediary/host county functions by the County for DHCS and LIHP participating entities up to June 30, 2014, six months after the scheduled end of LIHP. However, DHCS had not completed its closing activities by that date. By June 30, 2014, DHCS had invoiced and received reimbursement for FYs 2011-12 (DPY 7) and 2012-13 (DPY 8), but not 2013-14 (DPY 9), and it has determined that it has some supplemental expenses which were not included in the earlier claims. As a participating LIHP, DHS had paid its share of DHCS billed and approved administrative expenses, in the amounts of \$139,608 and \$186,494, for DPYs 7 and 8, respectively.

The agreements ended without an extension because DHCS was not able to define the terms of an extension. The new agreements, which have a retroactive component, will allow DHCS to receive reimbursement, through the host county, for the non-federal share of its approved expenses incurred at the State level in connection program closeout activities performed through December 31, 2015.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These agreements assist DHS in fulfilling its obligation to pay DHCS' costs of administering the LIHP at the State level, which is a condition of DHS' receipt of revenue as a LIHP participant. Such revenue has permitted the County to defray the costs of health care services provided to its low income population.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:jw

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors

**AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES FOR ADMINISTRATIVE SERVICES
RELATED TO THE LOW INCOME HEALTH PROGRAM (LIHP)**

This Agreement is between the California Department of Health Care Services (“DHCS”) and the County of Los Angeles (collectively, “Parties”) with respect to the matters set forth below.

WITNESSETH:

WHEREAS, this Agreement is made pursuant to the authority of Welfare and Institutions Code §§ 15911(c) and (j) and 14182.3(e);

WHEREAS, DHCS is the single state agency responsible for administering California’s Bridge to Reform section 1115(a) Medicaid Demonstration (“the Demonstration”);

WHEREAS, the Special Terms and Conditions (STCs) for the Demonstration set forth the applicable time periods for each Demonstration Year (DY). The completion of the final DY pursuant to the STCs does not alter or otherwise limit the obligations created under this Agreement.

WHEREAS, it is necessary and desirable that DHCS perform or contract for the performance of administrative services related to the administration of the Low Income Health Program (“LIHP”) at the state level;

WHEREAS, under the Demonstration, entities eligible for participation in the LIHP include a county, city and county, consortium of counties serving a region consisting of more than one county, or health authority (“Participating Entities”);

WHEREAS, a group representing the Participating Entities, known as the LIHP Executive Committee, has been constituted to provide certain oversight and administrative review functions;

WHEREAS, the County of Los Angeles participated in LIHP in its individual capacity (“Individual Capacity”) as a Participating Entity;

WHEREAS, the County of Los Angeles also acted separately as the LIHP host county (“Host County”);

WHEREAS, Host County is willing to continue to serve as the Fiscal Intermediary and be responsible for making payments to DHCS for the costs associated with DHCS’ administration of the LIHP under the Demonstration;

WHEREAS, DHCS has issued the 2010 Section 1115 Medicaid Waiver State of California County Funded State Demonstration Administration Positions Policy (“the Policy”) dated July 12, 2012, which is attached hereto as Attachment A for reference, but is not incorporated as a term of this Agreement;

WHEREAS, pursuant to the Policy and in accordance with this Agreement, the LIHP Executive Committee is responsible for reviewing and approving DHCS expenditures associated with administration of the LIHP;

WHEREAS, in addition to the expenditures covered by the Policy, DHCS has incurred expenses related to the Medi-Cal Eligibility Data System ("MEDS") for which individual Participating Entities are responsible, to varying degrees.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be Performed by DHCS.

A. DHCS shall administer the LIHP at the state level. DHCS’ administrative services shall be provided in a professional and diligent manner. Should the scope of work or services to be performed under this Agreement conflict with DHCS’ responsibilities as the single state agency for Medicaid in California, the single state agency responsibilities shall take precedence.

B. DHCS shall complete an annual budget and submit it to the LIHP Executive Committee by a date agreed upon by DHCS and the LIHP Executive Committee. The annual budget shall identify all costs on a category level associated with each proposed position for the DY as well as any appropriate other costs. The template for this budget is attached as Exhibit 1 to the Policy (Attachment A).

C. DHCS shall submit a Semi-Annual Report to the LIHP Executive Committee by the last business day of July and January of each applicable DY. This Report shall include a six-month prospective workload analysis (Exhibit 2 to the Policy) and six-month retrospective workload description (Exhibit 3 to the Policy) for each position identified in Exhibit 1 to the Policy (the annual budget). The content of these reports shall be consistent with the requirements set forth in the Policy (Attachment A).

D. Should DHCS anticipate the need for additional costs and or additional staff during the current DY beyond what has been identified in the approved DY annual budget, it shall submit a written proposal to the appropriate LIHP Executive Committee consistent with the requirements set forth in the Policy.

E. If a request is made by the LIHP Executive Committee in the context of a dispute between DHCS and the LIHP Executive Committee regarding the appropriateness of a budgeted, county-funded position, DHCS shall complete a sample time-study for the position in question in accordance with the requirements and procedures set forth in the Policy. Such time study would be performed on a prospective basis. Except under the specific circumstances identified in the Policy under the section labeled Staffing Position Disputes and Payment Adjustments as allowing for retroactive modifications, all modifications in allowable positions based on such time studies shall be made prospectively only.

F. DHCS shall also determine the amount it expended on MEDS related activities on behalf of the County of Los Angeles acting in its Individual Capacity . Such amount shall not duplicate any expenditure in the approved DY annual budget. DHCS shall negotiate in good faith and obtain the County of Los Angeles' approval of the amount of MEDS related activity costs assigned to it. Expenditures for MEDS related activities do not require approval of the LIHP Executive Committee.

G. DHCS shall submit invoices to the Host County including amounts due for regular administrative activities . Consistent with Section 3 below, such invoices shall be issued in arrears and reflect the expenditures made during the prior period for activities and expenses in the approved budget.

H. DHCS shall claim and retain FFP based on the total expenditures incurred in performing the administrative activities reported in Exhibit 1 to the Policy.

2. Services to be Performed by Host County.

A. Host County shall enter into agreements with other Participating Entities, as defined above, for payment of DHCS' approved expenses. Host County shall have no obligation to bring an action against any Participating Entity which either fails to enter into an agreement for the payment of DHCS' approved expense, or fails to pay some or all of its share of such amounts. Host County shall collect from such other Participating Entities, and shall contribute its own allocated share of such expenses, and deposit the same into a Trust Fund established for this purpose.

B. Host County shall pay DHCS from the Trust Fund established pursuant to the agreements between the Participating Entities and the Host County the nonfederal share of DHCS' invoices for expenditures under this Agreement if the invoices are approved as being in accordance with the annual approved budget. In no event, however, shall Host County have an obligation to pay any amount in excess of the funds available in the Trust Fund.

C. Nothing in this Agreement shall preclude Host County from claiming its administrative expenditures under Attachment J of the Special Terms and Conditions governing the Demonstration, but Host County shall not claim FFP for the expenditures incurred by DHCS under the process described in the Policy.

D. Host County shall complete an annual report which, at a minimum, reconciles payments to DHCS with the approved annual budget, and shall distribute the report to DHCS and all other Participating Entities.

3. Payments.

A. Payment Amounts

- (1) Host County shall pay DHCS the nonfederal share of approved invoices for actual administrative costs associated with filled positions and other costs after the cost is incurred by DHCS. For purposes of this Agreement "nonfederal share" shall mean the amount determined by multiplying the federally allowable expenditure by 1 minus the percentages specified in 42 U.S.C. Section 1396b(a). Host County shall not be obligated based on the terms of this agreement to make payment for DHCS' administrative costs incurred prior to June 30, 2011 or after December 31, 2015, except for approved Mercer actuarial services related to the LIHP. The Parties may extend the period during which services were provided by amending this Agreement under Section 8 below.
- (2) Payments to DHCS for any DY shall not exceed costs identified in the DHCS DY annual budget (Exhibit 1 to the Policy), unless additional amounts are otherwise approved by the LIHP Executive Committee. In no event shall payment be made by Host County for any invoice or portion thereof exceeding this amount.
- (3) The payments made to DHCS by Host County shall represent the nonfederal share of Medicaid administrative expenditures incurred by DHCS related to the LIHP and shall constitute compliance with Welfare and Institutions Code §§ 15911(j) and 14182.3(e).

B. Schedule of Invoices

- (1) DHCS shall submit invoices to the Host County, with a copy sent simultaneously to the LIHP Executive Committee. These invoices must be sent to the Host County in accordance with the schedule agreed upon by DHCS and the Host County. Invoices may be submitted by mail or by e-mail to an individual designated by Host County to receive such invoices.
- (2) Subject to the provisions of Section 2A above, Host County shall compensate DHCS for the applicable approved costs in Exhibit 1 to the

Policy within one hundred eighty (180) days of receipt of invoice from DHCS. Each payment shall be based upon the DHCS expenditures set forth in Exhibit 1 to the Policy.

- (3) If DHCS does not submit the budget or semi-annual reports in accordance to the timeframes established in Sections 1.B or 1.C of this Agreement, then Host County may withhold payments on any invoice relating to the budget, or semiannual report that has not been submitted, in accordance with the established timeframes until such item is submitted by DHCS.

4. Dispute Resolution Process.

A. Host County

- (1) Host County shall contract with all other Participating Entities to establish Host County as the sole entity entitled to initiate, pursue, and resolve on behalf of the other Participating Entities, disputes relating to payment for activities undertaken to administer the Demonstration as discussed in Section 4.B. below.
- (2) The LIHP Executive Committee may authorize Host County as the entity entitled to initiate, pursue, and resolve on behalf of the LIHP Executive Committee, disputes relating to activities undertaken to administer the Demonstration as discussed in Section 4.C. below.

B. Payment/Invoice Dispute

- (1) If a dispute arises between Host County and DHCS regarding payment for activities undertaken to administer the Demonstration, the Host County must seek resolution using the procedure outlined below in lieu of any other administrative appeal.
- (2) Host County shall first contact the Section Chief or a designee of the DHCS Branch under which the position or item in dispute is located informally to discuss the dispute. If the dispute cannot be resolved informally, the Host County shall submit a written Notification of Dispute, together with any supporting evidence, within the time specified in subsection (3) below, to the Division Chief.
- (3) Host County shall submit by mail or e-mail a Notification of Dispute and supporting documentation within sixty (60) days of receiving the invoice in dispute. Failure to mail or e-mail a written Notification of Dispute within sixty (60) days shall bar all claims arising out of the invoice. For purposes of determining the timeliness of the submission,

the Notification of Dispute shall be considered submitted on the date that it is received.

- (4) The Notification of Dispute shall include the information specified in subsection 4.D (1) below. The Division Chief shall render a written decision within ten (10) working days after receipt of the written Notification of Dispute from Host County. The decision shall provide the reasons therefore, and shall include the name, address and e-mail address of the Deputy Director with whom an appeal may be filed. If the Host County disagrees with the Division Chief's decision, Host County may appeal to the appropriate Deputy Director of DHCS as outlined in subsection (5) below.
- (5) To appeal a Division Chief's decision, Host County shall, within ten (10) working days of receipt of the Division Chief's decision, submit by mail or e-mail a written appeal to the Deputy Director of the Division under which the position or item in dispute is located. The appeal shall state the reasons for disagreement with the Division Chief's decision and include a copy of Host County's original Notification of Dispute, any supporting evidence submitted with the original Notification of Dispute, and a copy of the Division Chief's decision. The Deputy Director or his/her designee may, in his/her discretion, meet with the Host County's designated representative to review the issues raised. A written decision signed by the Deputy Director or his/her designee shall be mailed to Host County within twenty (20) working days of receipt of Host County's appeal, unless the Parties agree that the time may be extended. The Deputy Director's written decision shall be the final administrative review of the dispute, subject to judicial review as otherwise permitted by law.
- (6) Notwithstanding the submission and status of any Notification of Dispute or subsequent appeals, Host County shall continue payment to DHCS (including payment on matters identified in the Notification of Dispute), and DHCS shall continue performing activities undertaken to administer the Demonstration.
- (7) Notwithstanding subsection (6) above, if DHCS fails to meet the deadlines for decisions set forth in subsections (4) and/or (5), then Host County may discontinue payment of the disputed portion of the invoice until DHCS fulfills its obligations under this Section 4.B or the dispute is resolved, whichever is earlier.
- (8) In the event that the Division Chief or the Deputy Director determines that an expense paid by Host County pursuant to subsection (6) above was not due and owing to DHCS, then DHCS shall promptly refund the

amount overpaid, or shall provide a credit against any future amounts due under this Agreement. Host County shall have the right to decide whether to receive a refund, or to receive a credit against future amounts owed.

C. Administrative Activity Dispute

- (1) If a dispute arises between DHCS and the LIHP Executive Committee regarding activities undertaken to administer the Demonstration, resolution of the dispute shall be in accordance with the procedures outlined below.
- (2) A dispute under this subsection C is limited to the following topics:
 - (i) Annual budgets.
 - (ii) Semiannual reports (including retrospective work schedules).
 - (iii) Midyear requests for additional positions.
- (3) If a dispute arises under this section, the Section Chief of the DHCS Division under which the subject matter of the dispute is located, or his or her designee, shall informally discuss the problem with an authorized representative of the LIHP Executive Committee or the Host County if the Host County is authorized by the LIHP Executive Committee to represent the LIHP Executive Committee in the dispute. If the dispute is not resolved informally, the Division Chief or designee shall submit by mail or e-mail a written Notification of Dispute, together with any evidence, to the LIHP Executive Committee or Host County as appropriate. The Notification of Dispute shall include the information specified in subsection 4.D (2) below. A representative of the LIHP Executive Committee or the Host County, if requested, will meet and confer with the Division Chief or his/her designee in attempt to resolve the dispute. If that meeting does not result in a resolution of the dispute, the Deputy Director of that Division under which the position or topic of dispute is located may request an opportunity to meet and confer with a representative of the LIHP Executive Committee or Host County as appropriate in an attempt to resolve the dispute. Such request shall be granted.
- (4) If the dispute cannot be resolved using the process outlined in subsection 4.C. (3), the dispute shall be submitted in writing to the Director of DHCS for consideration. The Director's written decision shall be the final administrative review of the dispute, subject to judicial review as otherwise permitted by law.

D. Notifications of Dispute

- (1) For disputes relating to payment for activities undertaken to administer the Demonstration, the Notification of Dispute shall state, on the basis of the most accurate information then available to the Host County, all of the following:
 - (i) The information contained in the invoice that is the subject of the dispute.
 - (ii) The identification of any documents and the substance of any oral communications involved in the disputed invoice. Copies of all identified documents shall be attached to the Notification of Dispute.
 - (iii) The factual and/or legal reasons that Host County is disputing the invoice.
 - (iv) The cost impact that is directly attributable to the disputed invoice, and the remedy sought.
- (2) For disputes regarding an activity undertaken to administer the Demonstration, a Notification of Dispute shall state, on the basis of the most accurate information then available to the party raising the dispute, all of the following:
 - (i) The information contained in the annual budget, semiannual report, or midyear request for additional positions that is the subject matter of the dispute.
 - (ii) The identification of any documents and the substance of any oral communications related to the dispute. Copies of all documents identified shall be attached to the Notification of Dispute.
 - (iii) The factual and/or legal reasons the party is disputing the activity.
 - (iv) The cost impact raising the dispute that is directly attributable to the disputed activity.
 - (v) If no cost impact is involved, the desired remedy.

5. Relationship of Parties.

It is expressly understood that this is an agreement between independent entities and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent is to create an independent contractual relationship.

6. Non-Discrimination.

DHCS agrees that no person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, ARC, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this agreement.

7. Assignments and Subcontracts.

A. This Agreement is not assignable in whole or in part by either party without the written consent of the other party.

B. DHCS shall not employ consultants or subcontractors to carry out the responsibilities undertaken pursuant to this Agreement without written consent of the LIHP Executive Committee.

8. Amendment of Agreement.

This Agreement is complete and contains all the terms and conditions agreed upon by the Parties relating to payments for DHCS' administrative activities related to the LIHP. Except as may be provided in Section 9 below, no amendment shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement shall be binding on the Parties hereto. The Parties acknowledge and agree that DHCS may, with the concurrence of the LIHP Executive Committee, modify the Policy contained in Attachment A without the consent of Host County, so long as such modification does not expand or materially modify Host County's obligations under this Agreement.

9. Extension of Agreement.

The Parties, by mutual agreement memorialized in any form of writing, may extend this Agreement beyond the expiration date in the event that there are still outstanding payments to be made pursuant to Section 3A (1), or Section 16 of this Agreement .

10. Records.

A. Upon written notice, DHCS agrees to provide to Host County or any federal or state department having monitoring or reviewing authority, access to and the right to examine and audit its applicable records and documents for compliance with relevant federal and state statutes, rules and regulations, and this Agreement.

B. DHCS shall maintain and preserve all records relating to this Agreement for a period of three (3) years from the termination date of this Agreement, or until audit findings are resolved, whichever is later.

11. Compliance with Applicable Laws.

All services to be performed by DHCS pursuant to this Agreement shall be performed in accordance with all applicable federal and state laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, § 504 of the Rehabilitation Act of 1973, as amended. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

12. Notice/Controlling Law

A. Unless otherwise specified above, any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

(1) In the case of Host County, to:

County of Los Angeles – Health Services
Attn.: Manal Dudar, Expenditure Manager
313 N. Figueroa Street, Room 505
Los Angeles, CA 90012

mdudar@dhs.lacounty.gov

Or to such person or address as Host County may, from time to time, furnish to DHCS.

(2) In the case of DHCS, to:

California Department of Health Care Services
Low Income Health Program Division
Attention: Division Chief
1501 Capitol Avenue, Suite 71.3034
P.O. Box 997419, MS 4519
Sacramento, California 95899-7419

Or to such person or address as DHCS may, from time to time, furnish to Host County.

B. The validity of this Agreement and of its terms or provisions, as well as the right and duties of the Parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

13. Term of the Agreement.

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2014 through December 31, 2016, unless extended pursuant to Section 9 above for purposes of completing the payments. Either party may terminate this agreement by delivering written notice of termination to the other party at least thirty (30) days prior to the effective date of termination. Notice shall be addressed to the respective Parties as identified in Section 12 above.

14. Mutual Hold Harmless.

It is agreed that DHCS shall defend, save harmless, and indemnify Host County, its officers, employees, and agents from any and all claims, liability, loss or expense (including reasonable attorney fees) for injuries or damages to any person and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent or intentional acts or omissions of DHCS, officers, employees or agents. It is further agreed that the Host County shall defend, save harmless, and indemnify DHCS its officers, employees, and agents from any and all claims, liability, loss or expense (including reasonable attorney fees) for injuries or damages to any person and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent or intentional acts or omissions of Host County, officers, employees or agents.

15. Severability.

If any term, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

16. MEDS Costs

A. DHCS incurred MEDS related costs specific to the County of Los Angeles in its Individual Capacity in connection with the operation of the LIHP and the transition of LIHP enrollees into State-based insurance affordability programs. Such MEDS related costs were not incurred in connection with the County of Los Angeles' activities in its capacity as Host County. All terms and conditions specified in this Section 16 pertain solely to the County of Los Angeles in its Individual Capacity and do not pertain to the County of Los Angeles in its capacity as Host County. All terms and conditions in this Agreement apply to this Section 16 and apply to the County of Los Angeles in its Individual Capacity, except the following sections:

(1) Section 1 (with the exception of subsection F), Section 2, Section 3, and Section 4.

B. MEDS related costs pursuant to this Agreement pertain to the entry of enrollee eligibility data into MEDS, including Resource Access Control Facility Identification (RACFID)

costs, and transactions to facilitate the transition of eligible LIHP enrollees into the Medi-Cal program and Covered California.

C. In full consideration of DHCS' performance of MEDS related services, the amount the County of Los Angeles in its Individual Capacity shall be obligated to pay DHCS for MEDS related services shall be \$17,324.51.

D. The County of Los Angeles shall compensate DHCS for MEDS related services within sixty (60) days of receipt of an invoice from DHCS.

17. Entire Agreement/Amendment.

This Agreement and any exhibits attached hereto constitute the entire agreement among the Parties related to the subject matter of this Agreement for the term covered by this Agreement and supersede any prior or contemporaneous understanding or agreement dealing with the same subject matter and term.

18. Other Provisions.

A. The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

B. Except as specified in this Section 17.B, nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement, except the LIHP Executive Committee.

C. Time is of the essence in this Agreement.

D. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute this Agreement. Each party represents and warrants to the other that the execution of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF LOS ANGELES IN ITS CAPACITY AS HOST COUNTY AS WELL AS IN ITS
INDIVIDUAL CAPACITY AS A PARTICIPATING ENTITY

Signed By: _____

Printed Name: Allan Wecker.

Date: _____

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Signed By: _____

Printed Name: Robert Baxter [name of signer]

Date: _____

Agreement Between
[Insert Name of Participating Entity]
and
County of Los Angeles

This Agreement is made and entered into by and between the [Participating Entity], an entity that had participated in the Low Income Health Program (“LIHP”) as part of California’s Bridge to Reform section 1115(a) Medicaid Demonstration, hereinafter referred to as “Participating Entity” and the County of Los Angeles, hereinafter referred to as “Host County.”

WHEREAS, Participating Entity desires to help fund a share of the California Department of Health Care Services’ (“DHCS”) Medicaid administrative costs related to administering the LIHP at the state level, by contracting with Host County;

WHEREAS, Participating Entity is prepared to provide its applicable share of such administrative expenditures incurred by DHCS under the terms and conditions set forth in this Agreement and pursuant to the distribution formula set forth in Exhibit 1;

WHEREAS, Host County is willing to collect and disburse to DHCS payments of Participating Entity’s applicable nonfederal share of DHCS’ LIHP-related administrative expenditures, and has or will enter into an Agreement with DHCS to make such payments (“DHCS Agreement”).

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Host County Responsibilities

A. DHCS shall invoice Host County for the actually incurred expenses for administering the LIHP from July 1, 2014 through December 31, 2015 and for previously uninvoiced amounts for prior periods, after receiving approval for such additional amounts from the LIHP Executive Committee. After receipt of such invoices from DHCS for actual LIHP-related administrative expenditures, Host County shall submit an invoice to Participating Entity for Participating Entity's portion of the non-federal share of DHCS' Medicaid administrative costs related to administering the LIHP. The invoiced amount shall be the Participating Entity's portion, as determined in accordance with the distribution formula set forth in Exhibit 1, of the non-federal share of actual costs billed by DHCS and approved by the LIHP Executive Committee pursuant to the Agreement with the California Department of Health Care Services for Administrative Services Related to the Low Income Health Program” (“the DHCS Agreement”), attached hereto as Attachment A. Such invoice shall be sent to the person at the address set forth in Section 8.B below. For purpose of this Agreement, non-federal share shall mean the amount determined by multiplying the amount invoiced by DHCS by 1 minus the federal medical assistance percentage (FMAP). Such invoice may also include the amount due to Host County for its services, pursuant to Section 3.B below, or Host County may, at its discretion, issue a separate invoice for such amounts.

B. Host County shall create and maintain a County-Funded State Administrative Positions Trust Fund (“the LIHP Trust Fund”) solely to hold funds received from Participating Entities and from Host County for purposes of fulfilling its obligations under this Agreement and the DHCS Agreement. Host County shall deposit all payments made pursuant to Section 3.A into such LIHP Trust fund.

C. Host County shall comply with all applicable laws and regulations governing the use of public funds in the collection and disbursement of funds for the LIHP Trust Fund pursuant to the terms of this Agreement.

D. Host County shall utilize the funds paid by Participating Entity under Section 3.A below to pay to DHCS the undisputed amounts owed under the DHCS Agreement. Such payments shall be made at the times and in the manner specified in the DHCS Agreement.

E. Host County shall prepare a status report which reconciles collections from Participating Entities and payments to DHCS with the approved budget, and shall distribute the report to each LIHP participating entity, the LIHP Executive Committee and DHCS.

F. Any remaining balance of a Participating Entity’s payment in the LIHP Trust Fund not paid by Host County to DHCS on a particular invoice shall be carried forward and shall be applied to Participating Entity’s required payment amount under Section 3.A of this Agreement for any other amount due to DHCS for LIHP administrative services or may be returned to Participating Entity at Host County's election. Upon termination of the DHCS Agreement, Host County shall reconcile and distribute any unused balance in the LIHP Trust Fund to Participating Entity in accordance with the distribution formula in Exhibit 1. If any amount in the LIHP Trust Fund is subject to dispute under Section 4 of the DHCS Agreement, then that amount shall not be distributed to Participating Entity until a final decision has been reached in the appeal.

G. Host County shall be the sole entity entitled to initiate, pursue, and resolve disputes relating to payment for DHCS activities undertaken to administer the LIHP, pursuant to Section 4.B. of the DHCS Agreement.

H. If authorized by the LIHP Executive Committee, Host County shall be the sole entity entitled to initiate, pursue, and resolve disputes relating to activities undertaken to administer the LIHP, pursuant Section 4.C. of the DHCS Agreement.

I. Host County shall comply with all Host County obligations set forth in the DHCS Agreement.

J. Host County agrees that it shall deposit into the LIHP Trust Fund amounts equal to Host County's share of the approved DHCS costs as determined in accordance with the distribution formula set forth in Exhibit 1 as well as any other funds owed by Host County to DHCS under the DHCS Agreement.

2. Limitations on Host County's Responsibilities

A. Host County is the host entity only for the purposes of collecting and disbursing funds as set forth in this Agreement and pursuant to the 2010 Section 1115 Medicaid Waiver State of California County Funded State Demonstration Administrative Positions Policy ("the Policy") dated July 13, 2012, attached hereto as Attachment B, and the DHCS Agreement.

B. Host County shall not be responsible for producing claims, altering data or providing other materials related to Participating Entity's LIHP claims.

C. Host County shall not be financially responsible for paying the applicable nonfederal share of DHCS' LIHP-related Medicaid administrative costs for any Participating Entity which has failed to pay the total amount owed under this Agreement in a timely manner.

D. With the exception of audit exceptions arising from its own claims, Host County shall not be financially responsible for any audit exceptions relating to this Agreement.

3. Participating Entity Responsibilities

A. Participating Entity shall pay Host County the applicable amount of the nonfederal share of DHCS Medicaid administrative expenditures related to the LIHP, in accordance with the distribution formula in Exhibit 1, within sixty (60) days of receipt of an invoice from Host County. Such payments shall relate to DHCS' Medicaid administrative costs for the LIHP for the period July 1, 2014 through December 31, 2015, and also may include administrative costs, if any, that were omitted from DHCS' previous invoice for prior demonstration periods, to the extent that such additional costs are approved by the LIHP Executive Committee.

B. Participating Entity shall pay Host County an annual fee in accordance with Exhibit 2 to compensate Host County for its responsibilities under this Agreement. Participating Entity agrees that Host County may use such funds in any manner required by law and is under no obligation to use such funds to make any payments due under the DHCS Agreement.

C. Participating Entity shall be responsible for the submission of its own LIHP claims, including any claims pursuant to Attachment J of the Special Terms and Conditions governing California's Bridge to Reform section 1115(a) Medicaid Demonstration.

D. Except as may be otherwise required by law, Participating Entity shall not be financially responsible for paying the applicable nonfederal share of DHCS's-related Medicaid administrative costs for Host County or any other Participating Entity which has failed to pay the total amount owed under the DHCS Agreement.

4. Enforcement

The State of California, acting through DHCS, shall have the authority to enforce Participating Entity's obligations under Section 3 of this Agreement.

5. Indemnification and Waiver of Liability

A. The parties hereto shall indemnify, defend and hold one another, their officers, agents and employees harmless from and against any and all claims, losses, liabilities, damages, demands and actions (all collectively referred to as "liability" herein) arising out of each parties' respective performance of this Agreement, but only in proportion to and to the extent such liabilities are caused by or result from the negligent or intentionally wrongful act or omission of the indemnifying party, its officers, agents or employees.

B. Participating Entity hereby waives any claim against Host County for damages or any other remedy for any action, decision, or failure to act or decide by Host County, its officials, officers, employees, or agents in connection with its duties under Sections 1.G and 1.H above.

6. Termination

Host County may terminate this Agreement upon sixty (60) days written notice. Sections 1.C, 1.D. and 4 and 5 of this Agreement shall survive the termination of this Agreement. In the event that Host County terminates this Agreement, it shall be obligated to transfer any funds in the LIHP Trust Fund to whatever entity becomes the successor host county, and to provide a report to Participating Entity showing a reconciliation for the period from the end of the last reconciliation until the date of termination, of all revenue received under this Agreement and all disbursements made from the LIHP Trust Fund. Such reconciliation shall be due before the effective date of the termination.

7. Effective Date of Agreement

A. This Agreement shall be effective from the date of execution by the parties through December 31, 2016, unless extended as provided in Section 7.B below.

B. Host County has the option to extend this Agreement without a formal amendment, beyond the expiration date in Section 7.A above on a month-to-month basis, in the event that there is still outstanding payment to be collected from Participating Entity or paid to DHCS. Host County will send an advance written notice to Participating Entity and DHCS when this option is exercised.

8. Notices.

Unless otherwise specified above, any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

A. In the case of Host County, to:

Manal Dudar
313 N. Figueroa Street, Room 505
Los Angeles, CA 90013

mdudar@dhs.lacounty.gov

Or to such person or address as Host County may, from time to time, furnish to Participating Entity in writing.

B. In the case of Participating Entity:

[person's name and title]

[Mailing address]

[City, State, Zip Code]

[e-mail address]

Or to such alternative person or address as Participating Entity may, from time to time, furnish to Host County.

9. Other Provisions

A. Amendment and Integration. This Agreement and any exhibits attached here, together with the Agreement entered into between Participating Entity and Host County dated _____ to constitute the entire agreement among the parties to it and supersede any prior or contemporaneous understanding or agreement with respect to the parties' rights and responsibilities in connection with the payment and funding of DHCS' administrative activities related to the LIHP. In the event of a conflict between the terms of the earlier agreement between the parties and this Agreement, the terms of this Agreement shall prevail. Except as specified above, no amendment to this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto

B. Third Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

C. Waiver. The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

D. Authority to Execute. Each party hereby represents that the person executing this Agreement on its behalf is duly authorized to do so.

“Host County”
Duly Authorized

COUNTY OF LOS ANGELES

“Participating Entity”
Duly Authorized

[insert name]

Signed By _____

Signed By _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

Exhibit 1
Participating Entity Nonfederal Share Distribution Formula

Exhibit 2
Compensation Payment to Host County

Attachment A
Agreement with the California Department of Health Care Services for Administrative
Services Related to the Low Income Health Program

Attachment B
2010 Section 1115 Medicaid Waiver State of California County Funded State
Demonstration Administrative Positions Policy

Exhibit 1

DISTRIBUTION FORMULA

The distribution formula used to determine each participating entity's share of allowable state administrative expenses has two parts, set forth below. The total amount due from each participating entity is the sum of the amounts determined under Part 1 and Part 2. Forty percent (40%) of the non-federal share of the State's budgeted costs shall be distributed in accordance with Part 1, and sixty percent (60%) of such costs shall be distributed in accordance with Part 2.

Part 1: Each Participating Entity and the Host County, shall pay an equal share, determined by multiplying the non-federal share of the approved annual budgeted amount by .4, and then dividing that amount by the total number of participating entities plus the host county.

Part 2: Each Participating Entity and the Host County shall pay a proportionate share determined by multiplying the non-federal share of the approved annual budgeted amount by .6 and then multiplying that amount by a ratio, the numerator of which is the number of people in the geographic area serviced by the Participating Entity that are between 0-133% of the federal poverty level (FPL) and the denominator of which is the total number of people in the geographic areas of all Participating Entities and the Host County who are between 0-133% of FPL.

To the extent that invoiced and paid amounts exceed the amounts due to DHCS under the DHCS Agreement, such unpaid amounts shall be assigned to each Participating Entity using the same formula as is described above.

Exhibit 2

COMPENSATION PAYMENT TO HOST COUNTY

1. Services for the Period July 1, 2014 through June 30, 2015

Amount: \$500

2. Services for the Period July 1, 2015 through June 30, 2016

Amount: \$500

3. Services for the Period July 1, 2016 through December 31, 2016

Amount: Nil

Host County reserves the right to waive collection of some or all of the listed fees as shown above.